GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4907
ANSWERED ON:24.08.2001
CO-OPERATIVE BANKS
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to make compulsory for ail cooperative banks to ensure its deposit up to Rs.1 lakh;

(b) if so. the details thereof;

(c) whether many cooperative banks have not paid premium or not paying the same regularly;

(d) if so, the cooperative banks, who have not paid premium for current year and last year;

(e) the total number of their depositors and amount and loss lo the depositors, bank-wise; and

(f) the regulatory system in RBi Cooperative Bank Division to monitor such Deposit Insurance Scheme?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATH) :

(a) and (bj As per the provisions of Deposit Insurance and Credit Guarantee Corporation(DICGC) Act, 1961, registration of banking companies and co-operative banks is required as insured banks. All eligible co-operative banks are required to be registered by the Corporation as insured banks. The Deposit Insurance Scheme of DICGC covers all types ofdeposits viz. current, savings, fixed, recurring, etc. excluding those deposits relating to all State, Central and Foreign Government, inter-bank deposits, deposits received outside India. Certificate of deposits, deposits taken as cash collaterals, deposits which are created by transferring subordinate liabilities at least six months prior to bank failure, etc. DICGC has reported that as on 30th June. 2001, 2418 co-operative banks are covered under the scheme.

(c) and (d) As per the report of DICGC, out of 2418 co-operative banks, 95 banks havedefaulted in payment of premium regularly for consecutive three half-years and more, as on 30th June, 2001. The list of the co-operatives who have not paid the premium for the three half-years or more is given in the statement attached.

(e) Information regarding the bank-wise total number of depositors of the defaulting banks i s being collected and, to the extent available, will be laid on the table of the house.

(f) DICGC has reported that non-payment of premium by co-operative bank is followed upregularly by the Corporation with the defaulting banks and Registrar of Co-operative Societiesof the respective States. In terms of provisions under DICGC Act,the defaulting bank is liable to pay to the Corporation interest on the amount of default at rate not exceeding eight per cent over and above the bank rate, as may be prescribed.